IN THE HIGH COURT OF KERALA AT ERNAKULAM

PRESENT :

THE HONOURABLE MR. JUSTICE K.M.JOSEPH

WEDNESDAY, THE 4TH JULY 2007 / 13TH ASHADHA 1929

WP(C).No. 20393 of 2007(C)

PETITIONER:

---

1. M/S.GEOFRANC (P) LTD., MARKET ROAD,
   COCHIN 682018, REP. BY ITS MANAGING DIRECTOR,
   GEORGE AUGUSTINE.

2. GEORGE AUGUSTINE, AGED 51 YEARS,
   S/O.AUGUSTINE M.V., MANAGING DIRECTOR,
   M/S.GEOFRANC (P) LTD., MARKET ROAD,
   COCHIN 682018.

BY ADV. SRI.M.RAMESH CHANDER

RESPONDENTS:

---

1. THE KERALA STATE CO-OPERATIVE BANK,
   TRIVANDRUM, REP. BY ITS MANAGING DIRECTOR.

2. THE SENIOR MANAGER,
   KERALA STATE CO-OPERATIVE BANK,
   ANANDHI BUILDING, PULLEPADI JUNCTION,
   CHITTOOR ROAD, COCHIN-35.

BY ADV. SRI.NAGARAJ NARAYANAN,SC,K.S.CO-OP BANK

THIS WRIT PETITION (CIVIL) HAVING COME UP FOR ADMISSION ON 04/07/2007, THE COURT ON THE SAME DAY DELIVERED THE FOLLOWING:

K. M. JOSEPH, J.

W.P.C. NO. 20393 OF 2007 C

Dated this the 4th July, 2007

JUDGMENT

Case of the petitioners, in brief, is as follows:

First petitioner Company availed a term loan of Rs.3.50 Crores from the first respondent Bank, agreeing to repay the amount in instalments. But, due to certain unforeseen circumstances, after payment of a few instalments, there was default. There is reference to One Time Settlement being extended and correspondence between the parties. Petitioners have approached this Court seeking a mandamus not to initiate proceedings under the Securitisation Act as against the petitioners for realisation of their dues. There is also a prayer to declare that the first respondent Bank has no authority under the Securitisation Act to initiate proceedings for the amounts due.

2. I heard Shri M. Ramesh Chander, learned counsel for the petitioner and Shri Nagaraj Narayanan, learned counsel appearing on behalf the respondent Bank. Shri Nagaraj

Narayanan would contend that the petitioners was given Section 13(2) Notice on 8.12.2004 and even though the Bank could have taken possession after the expiry of two months, the Bank did not take possession upon the expiry of two months only because the Bank has extended further opportunities to the petitioners to effect payment. It is submitted by Shri Ramesh Chander that One Time Settlement was offered by the Bank and the petitioners submitted that they are agreeable. But anyway, it did not work out. Learned counsel for the petitioners then submitted that the petitioners will be in a position to pay off the entire amount due, on or before 31.7.2007 and time may be granted till then, as a last chance. Shri Nagaraj Narayanan, learned counsel for the respondent Bank points out that time was earlier granted to the petitioners. He would submit that the Bank will undertake not to proceed against the petitioners under the Act till 31.7.2007 to afford an opportunity to the petitioners as a last chance to effect payment of the entire amount remaining to be paid. Counsel for the Bank submits that a Statement will be

furnished to the petitioners showing the amount due from the petitioners within a period of one week from today. In the light of the stand taken by the parties, recording the submission of the petitioners that they will pay off the amount remaining to be paid on or before 31.7.2007 and also recording the submission of the learned counsel for the respondent Bank that coercive steps under the Act will not be taken till 31.7.2007, this Writ Petition is disposed of.

K. M. JOSEPH, JUDGE

kbk.